

University of Arizona - Health Sciences Center

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,112.4	1,154.9	1,154.9 ^{1/}
Personal Services	53,305,700	62,504,000	62,504,000
Employee Related Expenditures	17,202,800	19,803,900	19,803,900
Professional and Outside Services	3,167,900	5,507,000	5,507,000
Travel - In State	49,000	38,700	38,700
Travel - Out of State	180,800	67,200	67,200
Other Operating Expenditures	8,480,700	12,538,200	12,538,200
Equipment	183,400	136,000	136,000
OPERATING SUBTOTAL	82,570,300	100,595,000	100,595,000 ^{2/}
SPECIAL LINE ITEMS			
AZ Reach	0	500,000	0
Board of Medical Student Loans	0	2,000,000	0
Clinical Rural Rotation	353,600	353,600	353,600
Clinical Teaching Support	8,587,000	8,587,000	8,587,000
Fall Prevention Studies	0	1,000,000	0
Liver Research Institute	440,400	440,400	440,400
Phoenix Medical Campus	32,293,600	34,798,200	34,798,200
Telemedicine Network	1,670,000	1,670,000	1,670,000
AGENCY TOTAL	125,914,900	149,944,200	146,444,200 ^{3/4/}
FUND SOURCES			
General Fund	76,897,700	80,397,700	76,897,700 ^{5/6/}
<u>Other Appropriated Funds</u>			
University Collections Fund	49,017,200	69,546,500	69,546,500 ^{2/}
SUBTOTAL - Other Appropriated Funds	49,017,200	69,546,500	69,546,500
SUBTOTAL - Appropriated Funds	125,914,900	149,944,200	146,444,200
Other Non-Appropriated Funds	361,322,000	375,665,400	382,727,600
Federal Funds	209,743,200	218,133,000	222,495,500
TOTAL - ALL SOURCES	696,980,100	743,742,600	751,667,300

AGENCY DESCRIPTION — The University of Arizona’s Health Sciences Center (UA-HSC) includes its Colleges of Medicine Tucson and Phoenix, Nursing, Pharmacy, and Public Health. UA-HSC also currently operates a medical campus in Phoenix that opened in FY 2006.

FOOTNOTES

- 1/ Includes 201.4 GF and 88.6 OF FTE Positions funded from Special Line Items in FY 2025.
- 2/ The legislature intends that \$8,000,000 of the amount appropriated to the health sciences center operating lump sum appropriation line item be used to expand the college of medicine Phoenix campus and to develop and administer a primary care physician scholarship program at the college of medicine Phoenix campus and the college of medicine Tucson campus. The legislature intends that the \$8,000,000 not be annualized in future years. (General Appropriation Act footnote)
- 3/ Other than scholarships awarded through the Arizona financial aid trust, the appropriated monies may not be used for scholarships or any student newspaper. (General Appropriation Act footnote)
- 4/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 5/ The state general fund appropriation may not be used for alumni association funding. (General Appropriation Act footnote)
- 6/ The increased state general fund appropriation from Laws 2014, chapter 18 may not be used for medical marijuana research. (General Appropriation Act footnote)

7/ Any unencumbered balances remaining in the university collections fund on June 30, 2024 and all collections received by the university during the fiscal year are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be spent for supplemental life insurance or supplemental retirement. (General Appropriation Act footnote)

Operating Budget

The Baseline includes \$100,595,000 and 864.9 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	FY 2025
General Fund	\$42,576,900
University Collections Fund	58,018,100

These amounts are unchanged from FY 2024.

Student enrollment counts and tuition and fee levels for students will determine the amount of university tuition and fee collections. The University Collections Fund amount will ultimately be adjusted to reflect these revenue amounts. *(Please see the UA-HSC Other Issues Section and ABOR for more information.)*

AZ REACH

The Baseline includes no funding in FY 2025 for the AZ REACH program. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(500,000) from the General Fund in FY 2025 for the elimination of one-time AZ REACH funding. AZ REACH coordinates acute medical care transfers in Arizona hospitals. A FY 2024 General Appropriation Act footnote requires funding to be used to provide transfers for hospitals with less than twenty beds.

Board of Medical Student Loans

The Baseline includes no funding in FY 2025 for the Board of Medical Student Loans. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(2,000,000) from the General Fund in FY 2025 for the elimination of one-time the Board of Medical Student Loans funding. The board provides forgivable loans to Arizona medical students in exchange for practicing in rural and underserved areas of the state. UA's financial aid office provided administrative support to the board.

Clinical Rural Rotation

The Baseline includes \$353,600 and 5.2 FTE Positions from the General Fund in FY 2025 for the Clinical Rural Rotation program. These amounts are unchanged from FY 2024.

This line item funds the Rural Health Professions Program, which enables nurse practitioner, medical, and pharmacy students to plan and complete clinical practice rotations in rural and medically under-served sites throughout the state.

Clinical Teaching Support

The Baseline includes \$8,587,000 from the General Fund in FY 2025 for Clinical Teaching Support. This amount is unchanged from FY 2024.

Clinical Teaching Support provides hospital training, through internships and residencies, for medical, nursing, clinical, and other health students in a wide variety of specialty areas. Students fill all the above-mentioned FTE Positions.

Fall Prevention Studies

The Baseline includes no funding in FY 2025 for Fall Prevention Studies. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(1,000,000) from the General Fund in FY 2025 for the elimination of one-time fall prevention research studies funding.

Liver Research Institute

The Baseline includes \$440,400 and 6.5 FTE Positions from the General Fund in FY 2025 for the Liver Research Institute. These amounts are unchanged from FY 2024.

The Liver Research Institute conducts clinical studies on all liver diseases, focusing on chemical and natural agents that may offer a cure for such ailments. The line item also supports a research development program that actively pursues outside grants and donations.

Phoenix Medical Campus

The Baseline includes \$34,798,200 and 267.5 FTE Positions in FY 2025 for the Phoenix Medical Campus (PMC). These amounts consist of:

General Fund	23,269,800
University Collections Fund	11,528,400

These amounts are unchanged from FY 2024.

In addition to the monies appropriated in this line item, a General Appropriation Act footnote states legislative intent that \$8,000,000 from the UA Health Sciences Center operating budget appropriation be used to expand the College of Medicine Phoenix Campus and to develop and administer a primary care physician scholarship program at both the Phoenix and Tucson Campuses.

Telemedicine Network

The Baseline includes \$1,670,000 and 10.8 FTE Positions from the General Fund in FY 2025 for the Telemedicine Network. These amounts are unchanged from FY 2024.

Telemedicine is the use of computers, video imaging, broadband Internet, and other telecommunication technologies to diagnose and treat patients in rural communities.

Other Issues

University Collections and FTE Positions Adjustments

Including statewide adjustments, the FY 2024 General Appropriation Act appropriated \$66,675,300 from the

University Collections Fund to UA - HSC. The Collections Fund for UA - HSC represents a portion of tuition, fees and a portion of land earnings. (Please see ABOR Other Issues for more information.) If collections differ from the appropriated amount, the annual General Appropriation Act includes a footnote permitting the universities to expend those amounts as well as a separate footnote requiring the submission of a report detailing any adjustments to the appropriated amounts.

ABOR sets tuition independent of the legislative process. Any revised tuition rates as well as changes in enrollment can result in collections exceeding (or being below) the appropriated amount. The Universities reported the adjustments to the University Collections Fund for FY 2024 to the Joint Legislative Budget Committee in June 2023, and UA incorporated the adjusted FY 2024 amounts as part of their FY 2025 budget submission. Accordingly, the estimated FY 2024 amount has been adjusted by \$2,871,200 to \$69,546,500.

The FY 2024 FTE Position count has also been adjusted. The FY 2024 General Appropriations Act originally appropriated 1,112.4 FTE Positions in FY 2024 for the UA - HSC. The General Fund accounted for 561.0 FTE Positions and the University Collections Fund accounted for the remaining 551.4 FTE Positions. The estimated number of FY 2024 FTE Positions has been adjusted by 42.5 to 1,154.9. The General Fund accounts for 570.5 FTE Positions and the University Collections Fund accounts for the remaining 584.4 FTE Positions.

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Auxiliary Fund (UNI8906/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Sales revenues of substantially self-supporting university services.		
Purpose of Fund: To provide university-related non-academic services for students, faculty, staff, and the public. Auxiliary enterprises include student housing, bookstores, student unions, and intercollegiate athletics.		
Funds Expended	801,000	783,200
Year-End Fund Balance	345,300	183,000
Designated Fund - Other (UNI8905/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Retained summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
Purpose of Fund: To provide and administer student financial aid, to pay debt service on university bonds, and to run summer and winter session programs.		
Funds Expended	245,668,700	255,495,500
Year-End Fund Balance	138,064,500	142,636,400

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Designated Fund - Tuition and Fees (UNI8905/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Retained tuition and fees.		
Purpose of Fund: To provide and administer student financial aid, to pay debt service on university bonds, and to run summer and winter session programs. Please see the University Collections Fund for more information on Appropriated tuition expenditures.		
Funds Expended	19,843,100	19,986,800
Year-End Fund Balance	20,705,800	19,803,600
Endowment and Life Income Fund (UNI8904/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Interest income on invested endowment and life income gifts, a portion of financial aid trust fees assessed to students, and a portion of university trust land earnings.		
Purpose of Fund: To support endowment operations and compensate designated beneficiaries.		
Funds Expended	19,283,400	20,054,700
Year-End Fund Balance	166,557,400	173,165,100
Federal Grants (UNI8903/A.R.S. § 15-1666)		Federal Funds
Source of Revenue: Federal grants and contracts.		
Purpose of Fund: To support specific operating and research purposes as identified by the federal government.		
Funds Expended	157,598,800	163,902,800
Year-End Fund Balance	35,637,000	35,993,400
Federal Indirect Cost Recovery Fund (UNI8902/A.R.S. § 15-1601)		Federal Funds
Source of Revenue: Federally-sponsored research programs.		
Purpose of Fund: To assist and promote federally-sponsored research.		
Funds Expended	52,144,400	54,230,200
Year-End Fund Balance	0	0
Indirect Cost Recovery Fund (Non-Federal) (UNI8900/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Non-federally-sponsored research programs.		
Purpose of Fund: To assist and promote non-federally-sponsored research.		
Funds Expended	6,345,900	6,599,800
Year-End Fund Balance	0	0
Loan Fund (UNI8901/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Federal student loan program awards and interest collected on outstanding federal student loans.		
Purpose of Fund: To disburse awards from federal student loan programs, including any university match required, and to fund the costs of repayment programs. Expenditures displayed reflect costs of loan program administration and do not include awards to students.		
Funds Expended	(2,840,800)	0
Year-End Fund Balance	9,365,500	9,365,500
Restricted Fund (Excluding Federal Funds) (UNI8907/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Private and non-federal grants, including non-appropriated Technology and Research Initiative Fund grants (please see the ABOR Summary of Funds), as well as a portion of financial aid trust fees assessed to students.		
Purpose of Fund: To support specific operating and research purposes as identified by the private or non-federal donating entities.		
Funds Expended	72,220,700	72,745,400
Year-End Fund Balance	45,514,800	45,969,700

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
University Collections Fund (UAA1403/A.R.S. § 15-1626)		Appropriated
Source of Revenue: Tuition and registration fees.		
Purpose of Fund: To operate the university. Please see the Designated Fund - Tuition and Fees for more information on Non-Appropriated tuition expenditures.		
Funds Expended	49,017,200	69,546,500
Year-End Fund Balance	582,100	603,400